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INCOMING TELEGRAM **Department of State**

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Control: 26979
Rec'd: October 28, 1957
12:41 a.m.

FROM: Guatemala City

TO: Secretary of State

NO: 169, October 27, 9 p.m.

NIACT

Ortiz Passarelli called on me today. He has not decided whether to run again and admits MDN is discredited. He predicts a military coup will probably take place before elections and he feels if elections are held and government is neutral PR will win.

He earnestly and convincingly maintained elections were not fraudulent although he readily volunteered his party made full use of government machinery and received government monies. He believes MDN machine is still valuable asset although he says it would be much less effective if disconnected from government machinery.

Ortiz was bitterly disappointed at failure of army to put down demonstrators from very beginning. He said he refused authorize use of MDN militia because he knew it would have meant killing thousands of people. Ortiz feels army leadership is too weak and this weakness is opening door to Communism.

I was favorably impressed with Ortiz sensible moderate approach and his intelligent analysis of Guatemalan situation.

SPARKS

VH:HC/4

DECLASSIFICATION DATE 6/4/75
PER Fumbus OFFICE ARA
FADRC FOI CASE NO. S-B201

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AIR POUCH
FOREIGN SERVICE DESPATCH

COPY NO. 1 SERIES A

TO: AMEMBASSY, CIUDAD TRUJILLO

207
DESP. NO.

FROM: THE DEPARTMENT OF STATE, WASHINGTON.

OCT
October 28, 1957
DATE

REF: Embassy Telegram No. 158 of October 26, 1957

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	ARA	INFO: ARA/A - IAC - EUR/X - P
	REC'D 11/1	OTHER: CIA - USIA - Army - Navy - Air - OSD - OCB

FILES

SUBJECT: Comments on Political Situation in Guatemala.

Declassified 6/4/75 per Fimbres ARA/LA Fax 5B201

On Monday night, October 21, 1957, the reporting officer received a call from a Guatemalan national who is highly knowledgeable of the political situation in Guatemala. This informant advised that the call was based upon the request of a mutual friend who was interested in having the reporting officer informed of the political situation in that country. The informant suggested that we arrange a meeting for Wednesday night, which meeting was effected. During the course of the conversation which ensued, several points were discussed.

The informant stated that during the period of unrest currently prevailing in Guatemala approximately 50 people had been eliminated. The reporting officer understood this person to mean that the Guatemalan Government had taken steps to deprive the Communists of leadership through drastic measures. This individual went on to state that it was sometimes necessary to resort to drastic measures even though this was not desirable. This conversation developed as a result of a statement by the informant that 5 prominent Communists were the principal source of difficulty in Guatemala and if they could be eliminated, there would be a period of relative tranquillity in Guatemala.

It was further stated to the reporting officer that the effective headquarters for Communist operations in Central America is Mexico. One person currently residing in Mexico is Charmound McDONALD, who is not generally recognized as being a power in communistic plannings, but who nevertheless is a potent figure. The informant advised that during this period of political turmoil Guatemalan diplomats are well advised to be armed in view of the ever-present possibility of "accidents", of which there had been several already. This individual added that the tension of the times was essentially of communistic origin, but that tensions were also being brought about by strong anti-American sentiments.

On Friday night, October 25, the reporting officer visited the informant again to ascertain the names of the 5 persons whom the informant thought most dangerous to the anti-Communist cause and to

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confirm this story of the aforementioned 50 people. Upon asking the informant the names of the 5 people, it was stated that they were part of the 50 previously mentioned. These are as follows: AREVALO, ARBENZ, GUTIERREZ, PELLECER, and TORIELLO. These people, the reporting officer was informed, were most dangerous in exactly the order named. The reporting officer then stated that it was his understanding that 50 Communists had already been eliminated, to which the informant responded emphatically that the reporting officer had misunderstood, and that the informant had advised that there were 50 Communists who should be eliminated.

This source was highly concerned about the possible recognition by the United States of the Junta now in being. The reporting officer was further advised that it was very important that the United States in no way recognize the Military Junta of Guatemala now in power, even though the Guatemalan Ambassador to the United States had requested such recognition. The informant emphasized that this would be a major stroke for the Communists. In this connection the reporting officer was informed that there were two strongly leftist members in the present Guatemalan Government: Dr. ORILLANA, President of the Bank of Guatemala and a Sr. DE LEON. It was pointed out, further, that these men, generally speaking, were not known as Communists, but in reality are either Communists or Communist sympathizers. The informant further stated that Colonel Francisco OLIVA had maintained a correct posture throughout the present disturbances, but that his position at present was apparently very weak. The reporting officer was also advised that there is a large amount of external influence on current events in Guatemala, and that these influences were emanating principally from Mexico, Uruguay, Costa Rica and Puerto Rico, the principal source of trouble from the latter country being BETANCOURT. The informant also mentioned the Liberal Party of Honduras and the personal influence of FIGUERES as inimical.

During the course of the discussion the informant stated that important members of the Military Junta are in position to clarify the assassination of CASTILLO ARMAS. Among these the source named particularly Colonel Manuel CASTELLANOS (who was referred to as "El Chino"), and Colonel ORTEGA as actively involved in the plot to eliminate the President. The informant made a strong point of the fact that it was not without significance that the Minister for Foreign Affairs, SKINNER KLEE, knew that he was about to be eliminated from the Cabinet some time before the assassination, and that others in the Cabinet also knew that they were to be eliminated.

On Saturday morning, October 26, the reporting officer again called on the informant, at which time much of the foregoing was reiterated, and at which time he was presented with a written statement which had been prepared by this individual. This statement, in English translation, is attached hereto.

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The reporting officer wishes to state that there are two points which the informant seemed most insistent on in the three conversations which were had. These points are: (1) the profoundly negative results of United States recognition of the Military Junta, and (2), the absolute need for clarification and punishment of the guilty persons in the Castillo Armas assassination, without which clarification and punishment a stable government could not be expected to eventuate under present conditions.

Joseph S. Farland

Enclosure: Translation of written statement.

cc: Amembassy, Guatemala.

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TRANSLATION

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ABOUT THE MILITARY JUNTA

The President of the Mil... Junta, Colonel Oscar Mendoza Azurdia, has been identified a... anti-communist; he is the brother of Miguel and Rodolfo Mendoza Azurdia, Colonels and also anti-communists.

Colonel Roberto Lorenzana has no communist record, and he is a great admirer, as were the three Mendoza brothers, of Colonel Castillo Armas. Oscar is the best of the three brothers.

I do not know Colonel Gonzalo Yurrita, except by name.

THE GOVERNMENT

It has come good people as Ministers; anti-communist and identified with the LIBERATION; Lic. Rodrigo Robles Chincilla, Colonel Marco Aurelio Merida and Colonel Oliverio Casasola.

POLITICAL SITUATION; The Military Junta.

The part played by the Military Junta is UNCONSTITUTIONAL.

It might sustain itself in power even while being unconstitutional, but it will not be able to do this because the communist elements in the military will stage another coup, after the manner of 1944: CIVILIAN-MILITARY, at such time as they have achieved their aim of making all the people hate the military. See "Plans for Communist Domination", which appears below.

The Political Parties of Ydigoras Fuentes

General and Engineer Miguel Ydigoras Fuentes does not himself have the true and deepseated popularity which he appears to have for the moment. That is to say that he, as a person, has no large following. The political parties which back him, perhaps 50%, are with him because they - the truly anti-communist and therefore Castillista people - have the hope that by changing the Government of the Liberation the death of Colonel Castillo Armas will be clarified. In addition the MDN party was not able to win the people over, because of its lack of political tact, and now the anti-communists prefer to follow Ydigoras Fuentes because they hate the MDN.

The National Democratic Party "MDN

For 3 years during the Liberation Government, the MDN lacked sufficient political technique to enable it to play the part which it should have played as the official party, and little by little

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it fell apart until it arrived at the same systems applied by the political parties of Arevalo and Arbenz. Colonel Castillo Armas wanted, more than anything else, a unification of the Guatamalan family; and since he, Colonel Castillo Armas himself, felt certain that his government would come out on top, as in fact it did, he placed his confidence in some of the boys who always had helped him. These boys, the Directors of the MDN, did a good job in the open and even in the more subtle combat, but they turned out to be incapable of carrying out the job of "governing", because there was no tact nor political-social vision, and they committed the grave error of believing that, on bringing into their group persons with the political alignment of Arbenz and Arévalo who were well known but who did not have such bad reputations, they could play the part of mediator between anti-communism and Arbenz-Arévaloism. See THE PEOPLE, below.

The Military

A goodly number of military men came to understand the value of Colonel Castillo Armas, and for that reason they began to follow the true path that military men ought to follow. With the body of the military institution, a political sentiment was beginning and growing, and some formed the solid concept that the army is a faithful guardian of the law, of public order, of the government, and of the soverignty of the nation. On one side or another there exists a considerable number of military men with communist and pro-communist ideas, as well as many ambitious persons. The army is divided as follows:

a) communists and pro-communists;

b) those personally ambitious for power and wealth;

c) those who are apolitical or indifferent (relatively small number)

d) anti-communists who are divided into two groups; right wing extremists and right wing moderates.

Plans for Communist Domination

Ever since the death of the beloved, always remembered, and unequaled President Colonel Castillo Armas, the communists wish to achieve UNCONSTITUTIONALISM. The best weapon to achieve triumph in Guatamala, at this time, is UNCONSTITUTIONALISM.

I can guarantee that the same military communists, of course unidentified, were the first to think of organizing a Military Junta, and naturally they preferred that anti-communists should organize it in order that afterwards they, the communists, might stage a second

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military coup. Since there were communists in the army and since there were plenty of communist civilians, it is logical to imagine the following communist plan:

Once the army should come to be hated by the people, the people would concentrate their fire against the armed forces, especially against the Military Junta, even though that Junta might be made up of anti-communists and even though it might have anti-communist ministers. Once the people arrive at this point, hate for the armed forces, the military communists stage a coup against the Military Junta and put into command military and civilian elements, especially civilian elements in order that the people might acclaim them and see them as their saviors. The military coup would be the same as the one in 1944, when all the boys who knew nothing of politics came out in favor of the revolution without understanding that that movement was directed by the communists; one must not forget that they, the communists, take advantage of people and that they were able to install and take advantage of Colonel Arana, well knowing that after using him they could remove him from the political scene and even remove him from this world.

The People

The majority of the people are rightists; they like a strong hand, not with tyranny, but with order and peace, because of their religious convictions and because they have the experience of Arbenz-communism and Arevalo-communism as well as the fine example of progress of The Liberation. The Liberation and Colonel Castillo Armas its creator and chief, enjoyed the real affection of the people; the people wanted honesty in public order, and they wanted effective justice. But, because of the lack of knowhow of the MDN party, the Liberation was losing prestige. The people adored the Chief and Creator of the Liberation; they admired him and appreciated all his effort, talent, work, and great love for Guatamala; but not so the leaders of the MDN, who, being good persons, unambitious boys who were patriotic and fully identified with the cause, did not win the sympathy of the people, since they did not know how to play their part as mediators. In this situation, the people, who wanted honesty in the public order, began losing faith in the MDN, and that is why now, even though knowing that the candidate who is faithful to the shadow of Colonel Armas is Lic. Miguel Ortez Passarelli, because the MDN proposed him first, all the anti-communists who identify themselves with the first movement of the Liberation prefer to back General Engineer Ydigoras Fuentes because they have the hope that with him the government will be cleansed of all Arbencistas. I made my brothers (I consider them thus), the directors of the MDN, see that they were confused, because the people were Castillo Armistas but not EMEDENISTAS. Imagine such a sad situation.

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Page 4 Enclo
Encl. No.
Dep. No. 207
From Ciudad Trujillo

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My Own Estimate

At this moment I am listening to the news that the Military Junta made an agreement with the political parties to stop manifestations. It appears that the agreement was made and that General and Engineer Miguel Ydigoras Fuentes asked his followers to maintain order.

This is the opportune moment to achieve constitutionalism again. The Military Government Junta might turn over the power to any of the three who have been designated for the presidency; Luis Arturo González López; Colonel Guillermo Flores Avendaño or Colonel Juan Francisco Oliva. The three of them can resolve the situation and the Military Junta, if it wishes, could maintain the power to control the military communists who are plotting, but without maintaining its position as Governing Junta. If the recent elections were really illegal, as is alleged, than the most logical thing is for the army, without overthrowing the government, to press for the annulment of the election, if that is what is wished, and it could do it, but without breaking the constitution. I know very well that General Ydigoras Fuentes is a strong man and that he would effectively clean up the government; I also know that for political reasons he has offered to allow the communists to return to the country, although once in power he would be all to the contrary because he is a true anti-communist; but if it is desired to maintain an anti-communist government like that of Colonel Castillo Armas, the best thing would be for General Ydigoras Fuentes and Lic. Ortiz Passarelli, for the benefit of the country and for the sake of anti-communism which is in danger at present, to sacrifice themselves and allow a third candidate to take over who would be duly identified with anti-communism and therefore with the American cause. In my judgment, if either one of them remains in power war could easily result, and I could even guarantee it. It is all well and good that new elections should be carried out but the triumph of a third candidate should be assured who would be able to unite the two forces: that of Ydigoras Fuentes and that of Ortiz Passarelli. That would be the greatest triumph over communism, and a few hours before the elections, as established by law, the two candidates, Ydigoras and Ortiz, could withdraw in favor of the third candidate.

As I have stated before, for the moment, and judging by persons who form the Military Junta government, communism so far is in the background, because I know Colonel Oscar Mendoza Azurdia very well and also some Ministers to be anti-communists, but if UNCONSTITUTIONALISM is maintained, in my judgment and against my best desire, for I can now see it, the Military Junta would not last very long and communism would achieve the victory.

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I emphasize that Colonel Oscar Mendoza Azurdia is my friend and we hold each other in mutual esteem, but I never go against my own convictions. It is well known that I never go against what is correct, and with deep feeling I say; if the Government Junta continues and does not return to constitutionalism that Junta can maintain itself but it will always have to be fighting in order not to fall and will have to apply force. My people will bleed, and in the long run communism will be able to triumph.

On the other hand the Military Junta can still win the people, in the following manner:

1. Maintain a cabinet (Ministers) and other important statesmen who are of recognized anti-communist affiliation;

2. Clarify immediately the death of Colonel Castillo Armas; apply the law and punish the real murderers, the intellectual as well as the material murderers;

3. Offer elections when they feel it opportune, in order that by the 15th of March a constitutional president may be installed, because in that manner the situation may be normalized.

- - - - - - - - -

The people want justice, but true justice; they want the satisfaction of knowing that there are men and there are laws that will be applied, because they loved their President deeply. If the Government Junta fulfills these three fundamental points, it can sustain itself in power, for it will win the whole people, who thirst for justice.

Concerning the questions of My Friend B.

Yes I do believe that some other country is furnishing money because there is no other way to explain how the revolutionaries sustain their political campaign (in Guatamala that constitutes a great deal of money because of the lack of communications, etc). Last year money arrived from Mexico for the revolutionaries to achieve their aims. It is logical to imagine that on this occasion also money has arrived, and that some other country or government has mixed in the situation.

The Military Junta is in power against the constitution and only if it fulfills the desires of the people: - justice and punishment for the true assassins of Colonel Castillo Armas - can it sustain itself; if it does not, it can not sustain itself.

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Yes, there will be changes in the Guatamalan diplomatic corps. Ordinarily when a government changes the first thing it does is remove most of the Ambassadors and send its own; this does not happen so much with Embassy Secretaries for they are more or less career men, especially if the new government is more or less identified with the old government. In my judgment the Guatamalan government needs to change some diplomats who are not in accord with what is necessary. The Guatamalan diplomat, like those of other countries which maintain cordial relations with the USA has to be a social, capable person, in speech and in everything else.

See if this is not true: a good Guatamalan diplomat amply makes known the details of all the progress of Guatamala during the three years of Liberation; he gives speeches; he makes personal friends whom he impresses and he talks with everyone. By demonstrating the progress of Guatamala an effective Americanist work is carried out, because everybody knows that Guatamala and the USA maintain excellent relations; that Guatamala receives a great deal of American aid, and naturally in this fashion, without the diplomat saying anything, they give evidence of the value of being a brother of the USA, and demonstration of the facts has the greatest effect. A diplomat who makes known all the progress of his country because he has the capacity for doing so does good work for the American cause. On the other hand, a person who has a diplomatic position and who maintains himself aloof because of his complexes or prejudices is neither a good Americanist nor does he do any service. I know of some, and I would ask that they be given some post in Guatamala, if they merit it by being true anti-communists, but they are not in the diplomatic service.

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Control: 18431
Rec'd: October 29, 1957
8:14 p.m.

FROM: Guatemala City

TO: Secretary of State

NO: 174, October 29

NIACT

Congress today voided presidential elections on grounds of errors in election process. It decided allow electoral tribunal to determine whether congressional elections should be voided. Congress adjourned until tomorrow without setting date for new elections. It is not expected to do so until after electoral tribunal has made ruling regarding validity of congressional elections. Congress also named Colonel Luis Urrutia, Chief of Air Force, and Carlos Enrique Guillen Rodas, former congressmen, as first and second Designates of Presidency. President named new cabinet today whose membership is substantially same as Junta cabinet. Names will be forwarded by despatch.

SPARKS

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Note: Mr. King (MID) informed 8:40 p.m., 10/29/57.

5-B-201 6/4/75

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Amembassy GUATEMALA

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DESP. NO.

THE DEPARTMENT OF STATE, WASHINGTON.

October 29, 1957
DATE

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SUBJECT: Defense Ministry Bulletin States Country Tranquil

On October 28 Defense Minister Colonel Lorenzana issued a seven point bulletin as follows: 1) The disturbed situation through which Guatemala City passed for a period of 72 hours is now completely under control of the Army. 2) There has never been any disturbance elsewhere in the country. 3) At noon October 27 a group led by irresponsible persons attempted to disrupt railway service. Army and police requested them to desist, eventually had to use gunfire and two persons were injured. 4) Military patrols are guarding the city, with orders to fire, after one warning, on provocateurs and agitators. 5) Members of railway union SAMF called on President Flores Avendaño yesterday afternoon to promise him cooperation. 6) The Army is aware of war of nerves waged by certain factions, assures the public the country is calm and requests that no attention be paid to political propaganda. 7) The Minister of Defense calls on the good will of all divisive elements, pointing out their families will be faced with increased cost of living/disturbance continue.

The bulletin ends with the statement that the majority of Guatemalans are happy to see the return to Constitutionality, that for 48 hours the Junta conferred with professional, employer, religious, student, labor, industrial and political groups, and if all were not satisfied, history must be the judge, and if the Army was mistaken in Constitutional decision it made, its action was patriotic, not political.

FOR THE AMBASSADOR:

Benjamin J. Ruyle
Second Secretary

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